

In case where any one of the above facts is present, additional evidence must exist which in conjunction with that fact provides reasonable cause to suspect the presence of merchandise or contraband.

[T.D. 78-102, 43 FR 14454, Apr. 6, 1978, as amended by T.D. 83-212, 48 FR 46771, Oct. 14, 1983]

PART 146—FOREIGN TRADE ZONES

Sec.

146.0 Scope.

Subpart A—General Provisions

- 146.1 Definitions.
- 146.2 Port director as Board representative.
- 146.3 Customs supervision.
- 146.4 Operator responsibility and supervision.
- 146.5 [Reserved]
- 146.6 Procedure for activation.
- 146.7 Zone changes.
- 146.8 Seals; authority of operator to break and affix.
- 146.9 Permission of operator.
- 146.10 Authority to examine merchandise.
- 146.11 Transportation of merchandise to a zone.
- 146.12 Use of zone by carrier.
- 146.13 Customs forms and procedures.
- 146.14 Retail trade within a zone.

Subpart B—Inventory Control and Recordkeeping System

- 146.21 General requirements.
- 146.22 Admission of merchandise to a zone.
- 146.23 Accountability for merchandise in a zone.
- 146.24 Transfer of merchandise from a zone.
- 146.25 Annual reconciliation.
- 146.26 System review.

Subpart C—Admission of Merchandise to a Zone

- 146.31 Admissibility of merchandise into a zone.
- 146.32 Application and permit for admission of merchandise.
- 146.33 Temporary deposit for manipulation.
- 146.34 Merchandise transiting a zone.
- 146.35 Temporary deposit in a zone; incomplete documentation.
- 146.36 Examination of merchandise.
- 146.37 Operator admission responsibilities.
- 146.38 Certificate of arrival of merchandise.
- 146.39 Direct delivery procedures.
- 146.40 Operator responsibilities for direct delivery.

Subpart D—Status of Merchandise in a Zone

- 146.41 Privileged foreign status.
- 146.42 Nonprivileged foreign status.
- 146.43 Domestic status.
- 146.44 Zone-restricted status.

Subpart E—Handling of Merchandise in a Zone

- 146.51 Customs control of merchandise.
- 146.52 Manipulation, manufacture, exhibition or destruction; Customs Form 216.
- 146.53 Shortages and overages.

Subpart F—Transfer of Merchandise From a Zone

- 146.61 Constructive transfer to Customs territory.
- 146.62 Entry.
- 146.63 Entry for consumption.
- 146.64 Entry for warehouse.
- 146.65 Classification, valuation, and liquidation.
- 146.66 Transfer of merchandise from one zone to another.
- 146.67 Transfer of merchandise for exportation.
- 146.68 Transfer for transportation or exportation; estimated production.
- 146.69 Supplies, equipment, and repair material for vessels or aircraft.
- 146.70 Transfer of zone-restricted merchandise into Customs territory.
- 146.71 Release and removal of merchandise from zone.

Subpart G—Penalties; Suspension; Revocation

- 146.81 Penalties.
- 146.82 Suspension.
- 146.83 Revocation of zone grant.

Subpart H—Petroleum Refineries in Foreign-Trade Subzones

- 146.91 Applicability.
- 146.92 Definitions.
- 146.93 Inventory control and recordkeeping system.
- 146.94 Records concerning establishment of manufacturing period.
- 146.95 Methods of attribution.
- 146.96 Approval of other recordkeeping systems.

APPENDIX TO PART 146—GUIDELINES FOR DETERMINING PRODUCIBILITY AND RELATIVE VALUES FOR OIL REFINERY ZONES

AUTHORITY: 19 U.S.C. 66, 81a-81u, 1202 (General Note 3(i), Harmonized Tariff Schedule of the United States), 1623, 1624.

SOURCE: T.D. 86-16, 51 FR 5049, Feb. 11, 1986, unless otherwise noted.

§ 146.0 Scope.

Foreign trade zones are established under the Foreign Trade Zones Act and the general regulations and rules of procedure of the Foreign Trade Zones Board contained in 15 CFR part 400. This part 146 of the Customs Regulations governs the admission of merchandise into a foreign trade zone, manipulation, manufacture, or exhibition in a zone; exportation of the merchandise from a zone; and transfer of merchandise from a zone into Customs territory.

Subpart A—General Provisions**§ 146.1 Definitions.**

(a) The following words, defined in section 1 of the Foreign-Trade Zones Act of 1934, as amended (19 U.S.C. 81a), are given the same meaning when used in this part, unless otherwise stated: “Board”, “Grantee”, and “Zones”.

(b) The following are general definitions for the purpose of this part:

Act. “Act” means the Foreign-Trade Zones Act of June 18, 1934, as amended (48 Stat. 998-1003; 19 U.S.C. 81a-u).

Activation. “Activation” means approval by the grantee and port director for operations and for the admission and handling of merchandise in zone status.

Admit. “Admit” means to bring merchandise into a zone with zone status.

Alteration. “Alteration” means a change in the boundaries of an activated zone or subzone; activation of a separate site of an already-activated zone or subzone with the same operator at the same port; or the relocation of an already-activated site with the same operator.

Conditionally admissible merchandise. “Conditionally admissible merchandise” is merchandise which may be imported into the U.S. under certain conditions. Merchandise which is subject to permits or licenses, or which may be reconditioned to bring it into compliance with the laws administered by various Federal agencies, is an example of conditionally admissible merchandise.

Constructive transfer. “Constructive transfer” is a legal fiction which permits acceptance of a Customs entry for

merchandise in a zone before its physical transfer to the Customs territory.

Customs territory. “Customs territory” is the territory of the U.S. in which the general tariff laws of the U.S. apply. “Customs territory of the United States” includes only the States, the District of Columbia, and Puerto Rico. (General Note 2, Harmonized Tariff Schedule of the United States (19 U.S.C. 1202)).

Deactivation. “Deactivation” means voluntary discontinuation of the activation of an entire zone or subzone by the grantee or operator. Discontinuance of the activated status of only a part of a zone site is an alteration.

Default. “Default” means an action or omission that will result in a claim for duties, taxes, charges, or liquidated damages under the Foreign Trade Zone Operator Bond.

Domestic merchandise. “Domestic merchandise” is merchandise which has been (i) produced in the U.S. and not exported therefrom, or (ii) previously imported into Customs territory and properly released from Customs custody.

Foreign merchandise. “Foreign merchandise” is imported merchandise which has not been properly released from Customs custody in Customs territory.

Fungible merchandise. “Fungible merchandise” means merchandise which for commercial purposes is identical and interchangeable in all situations.

Merchandise. “Merchandise” includes goods, wares and chattels of every description, except prohibited merchandise. Building materials, production equipment, and supplies for use in operation of a zone are not “merchandise” for the purpose of this part.

Operator. “Operator” is a corporation, partnership, or person that operates a zone or subzone under the terms of an agreement with the zone grantee. Where used in this part, the term “operator” also applies to a “grantee” that operates its own zone.

Port Director. For those foreign trade zones located within the geographical limits of a port of entry, the term “port director” means the director of that port of entry. For those foreign trade zones located outside the geographical limits of a port of entry, the